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UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS

Third regional programme for the Arab States

Note by the Administrator

1. The third regional programme for the Arab States for the period 1994-1996 was endorsed by an intergovernmental Meeting in Sana'a, Yemen, in December 1993, and approved by the Executive Board at its annual session 1994. The formulation of the third regional programme was informed by, inter alia, the conclusions and recommendations of the 1992 evaluation of the second regional programme for the period 1988-1993. On the one hand, with 80 per cent of its commitments programmed before 1994, to a large extent, the third regional programme is geared towards continuing and bringing to conclusion the programmes and projects initiated during the second regional programme. On the other hand, the relatively late formulation of the third regional programme allowed it to take into consideration some of the policy changes in UNDP, thus incorporating a forward-looking programming framework. Taking into consideration all of the above, and especially the continuing validity of conclusions and recommendations of the evaluation of the second regional programme, the recent intensive intergovernmental discussion of the regional activities in the Arab States, the low level of indicative planning figure (IPF) resources available for programming in the third regional programme, and the programme's short duration, the Regional Bureau for Arab States (RBAS) intends to conduct the review of the programme at a later stage, in the context of preparations for the fourth regional programme.

2. As confirmed by the 1992 evaluation of the second regional programme, the positive elements being carried forward by the third regional programme include: the growing awareness of the Governments in the region of the benefits of the UNDP regional programme; a good track record of networking among Arab institutions and international institutions (especially in the area of crops

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production and protection, water, range management and irrigation), which adds to the sustainability of results; greater reliance on local capacities to execute and implement the programme; and the growing interest of the Arab regional institutions in co-financing the regional programme. Linkages between the country and regional programmes as well as the general issue of sustainability present the two major challenges which need to be more fully addressed in the future.

3. The financial situation of the third regional programme continues to constitute its major limiting factor. In the fifth cycle, the regional IPF amounted to $21,700,000 (after a 30 per cent reduction). Even with $6,696,000 carried forward from the previous cycle, after accounting for programme delivery and previous commitments for the period 1992-1994, in May 1995, only $2,026,000 was left for programming. Several ongoing projects in the programme were funded through cost-sharing of $8,700,000 by Arab regional institutions (i.e., Arab Fund for Economic and Social Development (AFESD), the Arab Gulf Programme for the United Nations Development Organizations, the Arab Maghreb Union and the Arab Labour Organization). AFESD and the Arab Trade Financing Programme also saw a possibility of matching UNDP inputs in the new programmes envisaged for the third regional programme. Even with this cost-sharing, from the financial point of view, the period until 1996 will see only relatively small, well-targeted investments programmed with the intention of their full development in future.

4. Since November 1994, the management of the regional programme has been decentralized to the field, with the intention of eventually retaining only regional programming and fund management at the bureau level at headquarters. The new system was introduced in the case of 16 projects, with 6 of them scheduled to conclude in 1995. Also in November 1994, RBAS conducted a briefing/training workshop for the national officers responsible for regional projects in the country offices charged with new responsibilities under the decentralized management system. Judging by the first seven months of operation, the decentralization brought tangible benefits to the way in which the regional programme is being run. With better monitoring of the project activities and quicker reaction to problems, the effectiveness of the whole programme is growing. The projects are also moving in the direction of involving all the beneficiary countries in their management structures.

5. All of the three new programmes envisaged for the third regional programme are at different stages of implementation. The development of the regional sustainable human development programme provided an interesting opportunity to establish firm linkages with the initiatives undertaken by 11 countries in the region to prepare country Human Development Reports. A May 1995 workshop, held in Cairo, Egypt, brought together the key persons who would be involved in the preparation of the country Human Development Reports. The workshop reviewed the methodology for preparing the reports on the basis of the experience of Egypt in building partnerships around production of the report and follow-up activities. A series of studies financed by the programme will enrich the region's understanding of sustainable human development and its methodology. It is hoped that they will lead to formulation of a longer-term programme in support of sustainable livelihood in the region. With regard to the economic integration and trade programme, a series of workshops concentrated on consequences of the

Uruguay Round for the region. The centrepiece of the programme, the Inter-Arab Trade Information Network, will continue to receive support from UNDP. A holistic approach to the trade issues of the region via a programme of support is being developed by the United Nations Conference on Trade and Development. In a separate development, RBAS joined with traditional partners, namely the World Bank, the European Union and the European Investment Bank, in expanding the Mediterranean environment technical assistance programme (METAP).

6. There is a strong possibility that all three new programmes in the third regional programme will continue into the next programming period. The excellent experience of environmental cooperation in the Mediterranean basin can be expanded to other parts of the Middle East. There is a growing interest among the member States in the region in the issues of a service-oriented public sector. While programming for the future, RBAS will try to forge links with the country programmes at the programming stage, by shaping the nature of the regional interventions at the same time as countries are developing a national portfolio of interventions in a given area. This approach already has been introduced in the ongoing programming exercise for the continuation of METAP.

7. In the framework of the third regional programme, RBAS has continued close cooperation with the Economic and Social Commission for Western Asia (ESCWA). UNDP co-sponsored with ESCWA the regional preparatory meetings for the World Summit for Social Development and the Fourth World Conference on Women. ESCWA is the executing agency for the sustainable human development programme. Cooperation with ESCWA as well as with the League of Arab States and many other Arab institutions remains important for the viability of the regional initiatives undertaken by UNDP.

Annex

FINANCIAL SUMMARY

I. RESOURCES

		$	$
A.	Resources available for country programme period		
	IPF a/	16 265 000 a/	
	Estimated cost-sharing	11 240 000	
	Total		27 505 000
B.	Commitments		
	Approved programmes/project budgets b/		
	Approved and allocated IPF	14 239 000	
	Approved and unallocated IPF	-	
			14 239 000
	Approved and allocated cost-sharing	6 240 000	
	Approved and unallocated cost-sharing	-	
			6 240 000
	Pipeline programmes/projects		
	IPF	3 170 000	
	Cost-sharing	5 000 000	
			8 170 000
	Total		28 649 000
C.	Balance of resources available for further programming		
	IPF		(1 144)
	Cost-sharing		-
	Balance of resources available		(1 144)

a/ Inclusive of carry-over or borrowing from the fourth cycle. Pro rata adjustments to fifth-cycle and sixth-cycle IPFs (assumed to be the same as fifth-cycle IPF), based on the country programme period.

b/ "Approved and allocated" refer to those programmes and projects approved by the Action Committee or Bureau Project Appraisal Committee for which there exist detailed, signed project documents and budgets. "Approved and unallocated" represent the balance of funds available to the programme or project which have yet to be reflected in specific budget lines.

II. PROPOSED (P) AND ACTUAL (A) ALLOCATION OF RESOURCES BY AREA OF CONCENTRATION

(In thousands of United States dollars)

Area of concentration	IPF		Cost-sharing		Total		Percentage of total	
	(P) a/	(A)	(P)	(A)	(P)	(A)	(P)	(A)
SHD	1 000	1 000	1 000	1 000	2 000	2 000	6.2	7.0
Trade	1 300	1 000	1 300	1 000	2 600	2 000	8.1	7.0
Energy	1 000	1 000	3 000	3 000	4 000	4 000	12.5	14.0
Other	11 721	15 553 c/	3 500	6 240	15 221	21 793	47.5	76.0
Unprogrammed Reserve	8 246 b/	(1 144)	-	-	8 246	(1 144)	25.7	(4.0)
Total	23 267	17 409	8 800	11 240	32 067	28 649	100.0	100.0

a/ (P) reflects figures as per the "Third intercountry programme for the Arab States" (DP/RAB/3), dated 18 April 1994.

b/ Represents an unprogrammed reserve of 25.7 per cent of the original fifth-cycle IPF.

c/ Represents all IPF commitments against the fifth-cycle resources.

III. ESTIMATED COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES

	At time of formulation of regional programme	At time of mid-term review
UNDP-administered funds	9 570 000	3 954 000
Other United Nations resources	850 000	850 000
Non-United Nations resources	1 850 000	1 850 000
Total	12 270 000	6 654 000